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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/627,921	07/28/2003	Steven M.H. Wallman	10392/460044	3612
7590 Bradley J. Meier KENYON & KENYON Suite #700 1500 K Street, N.W. Washington, DC 20005		06/06/2007		
			EXAMINER MEINECKE DIAZ, SUSANNA M	
			ART UNIT 3694	PAPER NUMBER
			MAIL DATE 06/06/2007	DELIVERY MODE PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/627,921

Applicant(s)

WALLMAN, STEVEN M.H.

Examiner

Susanna M. Diaz

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 28 July 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-3 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-3 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 28 July 2003 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

1. Claims 1-3 are pending.

Specification

2. Applicant is reminded of the proper language and format for an abstract of the disclosure.

The abstract should be in narrative form and generally limited to a single paragraph on a separate sheet within the range of 50 to 150 words. It is important that the abstract not exceed 150 words in length since the space provided for the abstract on the computer tape used by the printer is limited. The form and legal phraseology often used in patent claims, such as "means" and "said," should be avoided. The abstract should describe the disclosure sufficiently to assist readers in deciding whether there is a need for consulting the full patent text for details.

The language should be clear and concise and should not repeat information given in the title. It should avoid using phrases which can be implied, such as, "The disclosure concerns," "The disclosure defined by this invention," "The disclosure describes," etc.

3. The abstract of the disclosure is objected to because it is too long. Correction is required. See MPEP § 608.01(b).

Claim Rejections - 35 USC § 101

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claim 1 is rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Under the statutory requirement of 35 U.S.C. § 101, a claimed invention must produce a useful, concrete, and tangible result. For a claim to be useful, it must yield a

result that is specific, substantial, and credible (MPEP § 2107). A concrete result is one that is substantially repeatable, i.e., it produces substantially the same result over and over again (*In re Swartz*, 232 F.3d 862, 864, 56 USPQ2d 1703, 1704 (Fed. Cir. 2000)).

In order to be tangible, a claimed invention must set forth a practical application that generates a real-world result, i.e., the claim must be more than a mere abstraction (*Benson*, 409 U.S. at 71-72, 175 USPQ at 676-77). Additionally, a claim may not preempt abstract ideas, laws of nature or natural phenomena nor may a claim preempt every "substantial practical application" of an abstract idea, law of nature or natural phenomena because it would in practical effect be a patent on the judicial exceptions themselves (*Gottschalk v. Benson*, 409 U.S. 63, 71-72 (1972)). (Please refer to the "Interim Guidelines for Examination of Patent Applications for Patent Subject Matter Eligibility" for further explanation of the statutory requirement of 35 U.S.C. § 101.)

While claim 1 yields a useful and concrete result, it is not clear that the result is tangible. For example, the determination of necessary modifications to the portfolio is never communicated to anyone or transmitted to another computer; therefore, no real-world effect is readily apparent.

Appropriate correction is required.

Claim Rejections - 35 USC § 102

6. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

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(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

7. Claim 1 is rejected under 35 U.S.C. 102(e) as being anticipated by Dembo (U.S. Patent No. 5,799,287).

Dembo discloses a method for adjusting investments in an existing portfolio of investments comprising the steps of:

[Claim 1] modifying a desired overall characteristic of the existing portfolio of investments (abstract; col. 6, lines 5-13; col. 7, lines 39-50); and

determining automatically, in response to the step of modifying, a plurality of necessary modifications to the existing portfolio of investments so that the existing portfolio of investments as modified has the desired overall characteristic (abstract; col. 6, lines 5-13; col. 7, lines 39-50).

Claim Rejections - 35 USC § 103

8. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

9. Claims 2-3 are rejected under 35 U.S.C. 103(a) as being unpatentable over Dembo (U.S. Patent No. 5,799,287) in view of Official Notice.

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Dembo discloses a method for rebalancing a portfolio of investments to comply with a user selectable risk/reward characteristic comprising the steps of:

[Claim 2] determining a plurality of modifications to make to the portfolio of investments so that the portfolio of investments as modified matches the user selectable risk/reward characteristics (abstract; col. 6, lines 5-13; col. 7, lines 39-50).

While Dembo's user may execute the trading recommendations in conformance with a plurality of portfolio modifications (col. 7, lines 39-50), Dembo does not expressly disclose that the plurality of modifications are transmitted to a central controller over a computer network in response to a user clicking a command to do so. However, Official Notice is taken that it was old and well-known in the art of trading at the time of Applicant's invention to execute a set of trades (or a set of buy/sell transactions) in response to a user clicking a command to do so (e.g., selecting a trade option with a computer mouse). The use of a computer mouse to execute a computer command provides an easy shortcut for executing such a command. Since Dembo's system is computer-implemented, the Examiner submits that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify Dembo such that the plurality of modifications are transmitted to a central controller over a computer network in response to a user clicking a command to do so in order to provide an easy shortcut for executing such a command.

Dembo discloses a method for trading instruments comprising the steps of:

[Claim 3] selecting a desired characteristic of a desired portfolio of investments (abstract; col. 6, lines 5-13; col. 7, lines 39-50);

allocating an investment amount to the plurality of trades to obtain the desired characteristic of the portfolio (col. 7, lines 39-50; col. 8, lines 12-20 – An analysis of risk versus reward as well as an analysis of risk-adjusted profit to obtain a desired portfolio imply that an allocation of investment amounts to the plurality of trades occurs).

While Dembo's user may execute the trading recommendations in conformance with a plurality of portfolio modifications (col. 7, lines 39-50), Dembo does not expressly disclose that the plurality of trades are transmitted to a central controller in a single transaction as a portfolio of investments. However, Official Notice is taken that it was old and well-known in the art of trading at the time of Applicant's invention to execute a set of trades (or a set of buy/sell transactions) by transmitting a plurality of trades to a central controller as a single transaction. This arrangement facilitates quick and efficient execution of multiple trades. Since Dembo's system is computer-implemented, the Examiner submits that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify Dembo such that the plurality of trades are transmitted to a central controller in a single transaction as a portfolio of investments in order to facilitate quick and efficient execution of multiple trades.

Double Patenting

10. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the

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unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. A nonstatutory obviousness-type double patenting rejection is appropriate where the conflicting claims are not identical, but at least one examined application claim is not patentably distinct from the reference claim(s) because the examined application claim is either anticipated by, or would have been obvious over, the reference claim(s). See, e.g., *In re Berg*, 140 F.3d 1428, 46 USPQ2d 1226 (Fed. Cir. 1998); *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) or 1.321(d) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent either is shown to be commonly owned with this application, or claims an invention made as a result of activities undertaken within the scope of a joint research agreement.

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

11. Claims 1-3 are rejected on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 1-86 of U.S. Patent No. 6,601,044.

Although the conflicting claims are not identical, they are not patentably distinct from each other because the claims of the instant application are fully anticipated by the claims of the patent. Elimination of an element or its functions is deemed to be obvious in light of prior art teachings of at least the recited element or its functions (see *In re Karlson*, 136 USPQ 184, 186; 311 F.2d 581 (CCPA 1963)).

12. Claims 1-3 are rejected on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 1-37 of U.S. Patent No. 6,996,539.

Although the conflicting claims are not identical, they are not patentably distinct from each other because the claims of the instant application are fully anticipated by the

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claims of the patent. Elimination of an element or its functions is deemed to be obvious in light of prior art teachings of at least the recited element or its functions (see *In re Karlson*, 136 USPQ 184, 186; 311 F2d 581 (CCPA 1963)).

Conclusion

13. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Masch (U.S. Patent No. 5,930,762) – Discloses a portfolio risk management system.

14. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Susanna M. Diaz whose telephone number is (571) 272-6733. The examiner can normally be reached on Monday-Friday, 8 am - 4:30 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell can be reached on (571) 272-6712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR.

Status information for unpublished applications is available through Private PAIR only.

For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.



Susanna M. Diaz
Primary Examiner
Art Unit 3694

May 29, 2007